

*The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.*

### **What is a Tracking Chart?**

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

### **What a Tracking Chart is NOT -**

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

**Note on Language**

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]",etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

**Instructions for Printing**

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA IEM Profile												
Country	Honduras											
Factory name	01022937B											
IEM	ALGI											
Date of audit	8/4/03											
Days in the facility	1 day (three persons)											
PC(s)	Adidas-Salomon, NIKE, Inc.											
Number of workers	625											
Product(s)	Sportswear											
Production processes	cut, trim, sew, pack, ship											
Other brands in factory												
Findings												
FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC Internal audit findings	PC remediation plan	PC Comments to issues found	Target Completion Date	Factory Response	PC follow up	Documentation
1. Code Awareness												
						Factory management has created their own internal compliance team. The team has received training in national labor law, brands' code of conduct, specific health and safety training. The internal compliance team will conduct internal audits for health, safety, and labor conditions, the team consists of operators and managers, the team members will rotate every 6 months such that all employees get a chance to participate in the internal compliance team.		Factory moved to a new building December 2003, all findings will be applied to the new building. However, due to the move, some of the timelines have been adjusted so the factory can make changes needed in the new building.				
2.Forced Labor												
3. Child Labor												
4. Harassment or Abuse												
5. Nondiscrimination												
6. Health and Safety												
Evacuation Procedure		All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, unblocked aisles/exits, employee education, evacuation procedures, etc.) shall be complied with and workers shall be trained in proper safety, first aid, and evacuation procedures	Evacuation plan not in local language, yellow demarcating arrow leading to exits were missing, one exit was found locked and obstructed, one fire extinguisher was obstructed. Some aisles are obstructed.	Visual Observations			1. Emergency exits should be unlocked and unblocked at all times when employees are in the factory. Locked emergency exits are a zero tolerance. 2. Contractor must ensure that all evacuation plans are in the local language and that maps indicate evacuation routes clearly with arrows. 3. Ensure all evacuation routes have floor markings (arrows) indicating the direction of the exit route. 4. All fire extinguishers and aisles must be unobstructed and accessible at all times.	Management agreed to immediately implement corrective action and ensure that emergency exits are unlocked and unblocked at all times.	28-Feb-04	Management agreed to immediately implement corrective action and ensure that emergency exits are unlocked and unblocked at all times.	1. All emergency exits are unlocked and unblocked at all times. H&S committee checks regularly. 2. The evacuation maps were not up to date; contractor agreed that when they move to the new building the evacuation maps would be updated according to the new evacuation plan. At follow up visit (Jan 04): maps not yet posted on walls, factory has recently moved and has not completed the new emergency evacuation maps. Management committed to completing and posting maps by February 28. Until that date, all workers will be trained in how to evacuate the factory in the event of an emergency. All workers will be informed of the location of all emergency exits and evacuation procedures. 3. Some of the arrows marking the evacuation routes were no longer visible. Management should repaint arrows so that emergency evacuation routes are clearly indicated At follow up visit to new building: Arrows indicating evacuation route not yet painted. Management committed to painting evacuation arrows by the end of February. 4. Aisles and extinguishers unobstructed at all times and regularly checked by H&S committee.	Photos on file of missing items in new building. Photos of completed items (unblocked emergency exits, unobstructed extinguishers) on file.
Safety Equipment		All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees	First aid kits without appropriate supplies.	Visual Observations			Contractor must ensure that all first aid kits are provided with basic supplies (as per Nike and Reebok health and safety guidelines). All first aid kits must have a list of contents. First aid kits must be inspected on a weekly basis to ensure that they are restocked as needed, in good condition and supplies are within their expiration dates. The contents list for the first aid kits must be periodically reviewed to ensure that it meets the needs of the workplace hazards at all times.		28-Feb-04	Management agreed to ensure that all first aid kits contain the basic supplies and to inspect kits weekly to check expiration dates of all items.	First aid kits were being installed in the new building on the day of the follow up. By the end of the week, all First Aids kits will be installed, filled with the correct contents, and a checklist of the weekly checks performed by the nurse to verify that contents are within the expiration dates and contents are replaced as needed.	
PPE		Workers shall wear appropriate protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to hazardous elements including medical waste.	Even though the factory was going through an epidemic of highly contagious "pink eye", many employees were not wearing the recommended protective masks and or eye drops.	Visual Observations			Ensure that all employees use their protective mask and eye drops to prevent them from getting the pink eye epidemic. Contractor must ensure employees go to the clinic as necessary for their drops and use their glasses to prevent contagion.	There has been a pink eye epidemic throughout the area. All factories have been affected. Management and the clinic staff will address the problem as quickly as possible to prevent further contagion.	15-Sep-03	Management agreed to ensure that all workers use mask and eye drops to prevent pink eye.	No further incidents of pink eye recorded. Workers have been informed, as per interviews, of the precautions necessary to prevent contagion in the future.	Pink eye epidemic has passed. Clinic procedures in place to attend to any contagion in factory in the future.
Chemical Management		All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	Hazardous materials and chemicals into general workplace.	Visual Observations			Contractor must ensure that all hazardous and chemical materials have a storage room separate from production. Containers must be labeled with the contents and the MSDS's for each one accessible or posted both in the local language and English. As well, they must have secondary containment barriers to prevent from mixing and entering the environment.	IEM finding is not clear. Containers for spot cleaning chemicals are used and located at each spot cleaning station and therefore located in the workplace. Drums of spot cleaning chemical are stored in designated storage area. Clarification is required prior to developing corrective action.	28-Feb-04	Management stated that containers for spot cleaning chemicals are located at each spot cleaning station and chemical drums are stored in designated storage area.	Chemicals in the new building are stored in designated area; only authorized people have access to the stored chemicals. Chemicals at the spot cleaning station are on containers and the MSDS posted in the work area.	
Machinery Maintenance		All production machinery and equipment shall be maintained, properly guarded, and operated in a safe manner	Some machines were missing pulley guards.	Visual Observations			Contractor must ensure that all sewing machines have pulley guards at all times; ensure to install new guards on the machines with ones missing.	Management has a preventative maintenance program which consists of weekly checks of all the machinery and equipment and a bi-annual check and parts replacement. Management agreed that they will verify that the preventative maintenance program.	30-Oct-03	Management agree to check pulley guards regularly and replace them as needed.	Mechanics check weekly that all machines have belt guards as a part of their preventative maintenance program.	Visual verification of machines, visual verification of preventative maintenance documents, documents on file.
Sanitation in Facilities		All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws	No soap in bathrooms.	Visual Observations			Ensure that soap containers are refilled regularly. Increase the number of times per day that bathrooms are restocked.		30-Sep-03	Management agreed to check and refill soap containers regularly.	Soap containers are checked and filled three times per day. Management has increased the number of times per day that cleaning staff check the bathrooms.	Visual verification of bathrooms (they are stocked); verification that cleaning staff regularly checks bathrooms and restocks as needed (interviews).
7. Freedom of Association and Collective Bargaining												

FLA Code/ Compliance issue	Findings						Remediation					
	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC Internal audit findings	PC remediation plan	PC Comments to issues found.	Target Completion Date	Factory Response	PC follow up	Documentation
8. Wages and Benefits												
Time-recording system		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards	Some hours are not fully recorded, some Saturdays and some hours after end of regular work schedule were not recorded as employees stay late to meet quotas.	Worker interviews, time cards and swipe in hours work records			In accordance to Art. 335 from the local labor law, the employer must keep a record in their payroll or salary books on the ordinary hours worked and the overtime. This has to be separately and it must have how much the employee is getting paid for the overtime hours worked. The contractor must ensure that all employees working overtime use their punching or electric card to register all their hours worked including overtime and a record of this must be kept at least quarterly. Make sure that all employees receive training on the importance of always using their time cards and send documentation. Contractor must use the time cards as the official document to pay employees for their hours worked.	As per conversations with factory, the problem they are having is that the electronic time keeping system is new. Many employees have not received training because of absence due to the pink eye disease. Supervisors, as a backup, have a list of the employees that stay overtime or work on Saturdays to ensure that employees do get paid for their total hours worked. Management has committed to provide training for all employees immediately and verify that they understand how to use the electronic clock card system.	30-Dec-03	Management stated that the electronic clock system is new and not all employees have been trained due to absence during the pink eye epidemic. Management agreed to provide training to all employees immediately and ensure all workers understand how to use the new time card system.	All workers have been trained in how to use the electronic time card system.	Visual verification of electronic time card system. Documentation of all workers trained in how to use the electronic time card system on file.
Legal benefits		Employers will provide all legally mandated benefits to all eligible workers	Vacation time off as required by law is sometimes worked by the employee.	Interviews, vacation pay records.			Art. 345 of the local labor law states that each employee has a right to certain number of days for vacation paid annually. Art. 348 states how many vacations should be given to the employees after every year worked with the same employer. If employees wants to work voluntarily during their vacation time, the contractor must pay the Holidays worked in accordance to Article 340 from the Local Labor Law. A worker must be paid double the production earned of that day, not the base wage. Contractor should send proof that employees are working these days voluntarily and that they are being paid in accordance with the law.	Factory does not have employees working mandatorily on vacation days; they work voluntarily and are paid according to the law. Management committed to ensuring that all workers take vacation time as per law and to providing documentation of employees that volunteer to work during a portion of their vacation time. Management committed that no worker will be allowed to work continuously without vacation; management will ensure that workers take vacation time.	30-Oct-03	Management agreed to ensure that all workers take vacation as per law and to document workers who volunteer to work during a portion of their vacation time. Management committed that no worker will be allowed to work without vacation; all workers will take vacation time.	All workers received vacation as per law in 2003. Workers that work some of their vacation days sign a document indicating that they agree voluntarily to work for some of their vacation days and will be paid as per law.	Documentation of vacation taken by all workers in December 2003 on file. Documentation of workers who volunteer to work during some vacation days and paid as per law on file.
9. Hours of Work												
Overtime Limitations		Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts	Some employees have worked more than 60 hours in one week, during the last 12 months.	Records review.			1. Cease the practice of working more than 60 hrs per week. In accordance to Art. 332 from the Local Labor Law, factory may not work more than 12 hours of overtime per week. PC's limit for hours of work is no more than 60 hours per week on a regularly scheduled basis, which means no more than 25% of any 12-week period, and due to extraordinary circumstances. Under extraordinary circumstances, when hours of work exceed 60 per week, the contractor must obtain each employee's signature on a weekly basis, stating that he or she understands the difference between mandatory and voluntary overtime and that he or she voluntarily chooses to work more than 60 hours in that particular week. Extraordinary circumstances are defined as situations that are outside the control of the contractor (i.e., power is shut off by city, flooding, earthquake, or natural disaster, etc.) and do not include situations where the contractor must work to complete orders that exceeded their 60 hour/week capacity or capacity which meets lower overtime limits as mandated by local law. 2. Create a management system to ensure that workers to not exceed 60 hrs per week. Check working hours mid-week to determine those workers approaching a 60 hr per week maximum and prevent them from passing this limit. 3. Follow up will include a review of working hours to ensure that employees do not work more than 60 hrs per week.	This item has been part of PC's prior internal corrective action plan. Evidence of corrective action is on file with PC. Management implemented corrective action and has not exceeded 60 hrs per week within the past 3 months. Management will retain documentation to ensure that workers do not exceed 60 hr maximum working hours per week going forward.	30-Sep-03	Management stated that according to the prior internal PC compliance plan issued, factory has not exceeded the 60 hrs per week work week in the past 3 months. Management has continued to monitor the work week to ensure no workers exceed 60 hrs per week	Management has closely monitored working hours to ensure that workers do not exceed the 60 hr per week maximum. Management maintains records of working hours and will forward future records as evidence of adhering to the 60 hr per week working hour maximum. Ongoing monitoring will be performed.	Documentation of working hours and overtime on file. Records of not exceeding 60 hrs per week for the last three months on file. Future documentation to be forwarded to PC.
10. Overtime Compensation												
Accurate recording of OT hours worked		Employees will be paid for all hours worked in a workweek. Calculation of hours worked must include all time that the employer allows or requires the worker to work	Some hours are not fully recorded, some Saturdays and some hours after end of regular work schedule were not recorded as employees stay late to meet quotas.	Worker interviews, time cards and swipe in hours work records			In accordance to Art. 335 from the local labor law, the employer must keep a record in their payroll or salary books o the ordinary hours worked and the overtime hours worked. This has to be separate and it must show how much the employee is getting paid for the overtime hours worked. The contractor must ensure that all employees working overtime use their punch card or electronic card to register all their hours worked including overtime. A record of this must be generated quarterly. Make sure that all employees receive training on the importance of always using their time cards; send documentation indicating that all employees received training on how to use the new time card system. Contractor must use the time cards as the official document to pay employees for their hours worked.	As per conversations with factory, the problem they are having is that the electronic time keeping system is new. Many employees have not received training because of absence due to the pink eye disease. Supervisors, as a backup, have a list of the employees that stay overtime or work on Saturdays to ensure that employees do get paid for their total hours worked. Management has committed to provide training for all employees immediately and verify that they understand how to use the electronic clock card system.	30-Oct-03	Management stated that the electronic clock system is new and not all employees have been trained due to absence during the pink eye epidemic. Management agreed to provide training to all employees immediately and ensure all workers understand how to use the new time card system.	All workers working overtime hours use their electronic swipe card. The new electronic time card system automatically records all hours worked, both regular and overtime hours. All workers have been trained in the correct use of the electronic time card system. Management maintains documentation of regular hours and overtime hours worked by each employee. Management also maintains a separate overtime hours report to ensure that no worker exceeds the maximum working hours per week.	Visual verification that electronic time card system is functioning. Documentation of working hours, regular and overtime, on file with PC. Documentation that all workers received training in the correct use of the electronic time card system on file.
OT Compensation	Non-compliance	The factory shall comply with applicable law for premium rates for overtime compensation	Workers are not paid a premium for overtime hours, however this is in compliance with local law.	Records and interviews.			Factory is in compliance with Art. 330 from the Local Labor Law which says that employees should be paid for overtime in accordance to the average hours worked in the week prior to payment. 1. Develop a written policy and explanation of how to calculate overtime hours according to local law. 2. Post information on how to calculate overtime payment. 3. forward copy to PC.	Factory is in compliance with Art. 330 from the Local Labor Law which says that employees should be paid for overtime in accordance to the average hours worked the week prior to payment. Factory will forward documentation to PC for verification.	15-Nov-03	Management stated that they pay overtime as per law. Management agreed to forward documentation for this point.	Overtime paid as per law. Management agreed to create a document that clearly explains how overtime is calculated. Management will ensure that all employees understand how overtime is paid as per law.	Documentation of overtime paid on file, examples of overtime payment on file with PC. Document explaining the correct overtime calculation on file. Copy of the labor indicating the correct calculation for overtime on file for reference.
Miscellaneous												